

# LEGACY

## PRECISION MOLDS INC.

May 01, 2005

### The Manufacturing Challenge of 2005

Have you ever had the desire to step out and risk everything in a business venture? Imagine handing in your two-week notice at your current employment without the guarantee of a paycheck for some time. This was my case in May 1995 when I started what is today called Legacy Precision Molds, Inc. We began as a one man shop in a two-stall garage. Approximately five months later I hired my first employee; eight months later we moved into a 3,800 sq foot facility. By 2000 we had expanded to an eight person shop, and then the challenges began. I started seeing many manufacturing businesses around me closing their doors (most without a choice). By 2003 I was reduced to a four person shop due to the struggling economy, fueled by intense overseas competition.

The challenges faced by many businesses in year 2000 have only intensified, and as we move toward 2006 we need to take a very serious look at what needs to be done to help preserve our American Dream. With each day we face one more fuel up-charge, one more product price increase; all the while being forced to hold or cut the costs of our product just to keep work on the floor. We can honestly question how can any business survive with increased costs and decreased product pricing?

The easiest way would be to follow many, maybe 'right-size' my company, and send more work over seas all in the name of larger profits. However; I would not have embarked on my version of the American Dream if I had possum or ostrich blood in my veins. I have instead restructured Legacy Precision Molds, Inc. by investing into higher-end machines and newer, faster computers with powerful software geared towards full automation. We have been able to build ourselves back to a seven person shop with gross sales back to the 1999-2000 levels.

We do however face many challenges and tough decisions ahead. We must work with other businesses to form collaboratives, join with trade organizations such as the MMA, work with local, state, and national governments on fair tax legislation, and eliminate or reduce the single businesses tax and personal property tax burden. In order to survive, small businesses in our industry must invest in cutting edge technology which comes at a high cost initially, followed by a penalty system of increased personal property tax burdens.

There are some who have done much to advance our cause and the middle class America thanks you, but there is still a great amount that needs to be done. By reducing the tax burdens facing our industry today, we will preserve our heritage as a great innovative state.

Remember, this situation is also a matter of national security!

Regards,  
Thomas J. Van Ree, President

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